

MINUTES - EMPLOYEE INSURANCE AND PENSION BENEFITS COMMITTEE

June 28, 2010

Chairperson Scott McBride called the meeting to order at 7:02 p.m. in the Helen Nelson Conference Room.

Members Present: M. Finkelstein, J. Kehl, S. McBride, M. Puba Niro, T. Sullivan and M. Wilbur

Members Absent: M. Casasanta, J. Flores and J. Krusell

Staff Present: J. Salomone, A. Harter, C. Drzata and L. Jachimowicz

Others present: D. McCluskey, S. Lemanski, M. Shegoski and A. Martella

Public Participation: None

Jon Kehl made a motion to accept the minutes of the March 16, 2010 meeting as written. Terence Sullivan seconded. The motion was passed unanimously.

Lockton Benefit Group – Dave McCluskey reported that through May, 2010 the plan is running with a positive margin of \$545,094. The Town has a positive margin of \$126,560 and the Board of Education has a positive margin of \$418,534. Through May, there were six large claims with three exceeding the \$150,000 Individual Stop Loss.

Milliman – Steve Lemanski presented an overview of OPEB - Other Post Employment Benefits. Steve reported that OPEB includes medical, dental and life insurance benefits provided to retired employees and that GASB 43/45 accounting standards treat OPEB benefits that same way as the pension benefits requiring the liability be measured and disclosed in the Town's financial statements. He reported that the Accrued Liability is the present value of the OPEB benefits and that the Town is currently in the process of complying census information for the July 1, 2009 valuation. Ann Harter reported that the estimated net financial impact is \$372,000. Steve outlined the steps to establish and oversee an OPEB trust. Ann Harter distributed a draft of an ordinance authorizing the establishment of an OPEB trust for the committee's review.

UBS Financial Services – Marc Shegoski and Ashley Martella presented a market summary and portfolio update through the 1st Quarter of 2010, as well as their thoughts for the economy and markets going forward. Ashley reported that the Municipal, Administrative and Police pension plans were up 3.65%, 3.65% and 3.62%, respectfully, through the first quarter. These returns were above their customized benchmarks. No changes were recommended to any of the three plans. However, Marc and Ashley recommended that the Large Cap Growth manager, Westfield Capital, be placed on "Watch" and monitored in the future for possible action.

Next Meeting – date to be determined.

Terence Sullivan made a motion to adjourn, seconded by Mike Wilbur. The meeting adjourned at 8:40 p.m.

Respectfully submitted,

Charlene J. Drzata
Insurance/Benefits Administrator